

**City of Council Grove
Morris County, Kansas**

**Independent Auditors' Report and
Regulatory Basis Financial Statement
Year Ended December 31, 2019**

City of Council Grove
Morris County, Kansas

Regulatory Basis Financial Statement
Year Ended December 31, 2019

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Summary Statement of Receipts, Expenditures, and Unencumbered Cash	3
Notes to the Financial Statement	4-13
Regulatory-Required Supplementary Information:	
Schedule 1 – Summary of Expenditures	14
Schedule 2 – Schedule of Receipts and Expenditures	
General Fund	15-17
Special Purpose Funds:	
.7% Sales Tax	18
1% Sales Tax	19
Industrial Development	20
Library	21
Library Benefits	22
Special Highway	23
Special Recreation	24
Employee Benefits	25
Highway Maintenance	26
Diversion	27
Equipment Reserve	28
Computer/Equipment Reserve	29
Capital Improvement Reserve	30
Grants	31
Bond & Interest Fund	32
Capital Projects Fund	33
Business Funds:	
Water	34
Water Maintenance Reserve	35
Water Bond Reserve	36
Sewer	37
Sewer Reserve	38
Refuse	39
Trust Fund:	
Cemetery Endowment	40
Schedule 3 – Agency Funds	41
Schedule 4 - Related Municipal Entity-Public Building Commission	42

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Independent Auditors' Report

Mayor and City Council
City of Council Grove, Kansas

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Council Grove, Kansas, a municipal financial reporting entity, as of and for the year ended December 31, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Council Grove, Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United State of America.

The effects on the financial statement of variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Council Grove, Kansas, as of December 31, 2019, or the changes in financial position and cash flows for the year then ended.

Basis for Qualified Opinion on the Regulatory Basis of Accounting

The City entered into an arrangement with Morris County that allowed the individual lake leaseholders to pay the City's property taxes on the City lake property directly to the County. The City did not reflect the receipt of these taxes nor the expenditures of these amounts in this financial statement. The effects on the financial statement of this variance has not been determined but is presumed to be material.

Qualified Opinion on Regulatory Basis of Accounting

In my opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on the Regulatory Basis of Accounting" paragraph, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Council Grove, Kansas, as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Other Matters – Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency funds, and the schedule of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1,2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement but are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

A handwritten signature in black ink that reads "Cindy Jensen CPA". The signature is written in a cursive, flowing style.

Cindy Jensen, CPA
August 18, 2020

City of Council Grove
Morris County, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2019

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	\$ 254,227	\$ 0	\$ 1,825,461	\$ 1,708,308	\$ 371,380	\$ 29,961	\$ 401,341
Special Purpose Funds							
.7% Sales Tax Fund	643,696	0	301,800	381,116	\$ 564,380	0	564,380
1% Sales Tax Fund	802,544	0	431,712	455,082	\$ 779,174	1,000	780,174
Industrial Development	2,398	0	14,573	14,573	\$ 2,398	0	2,398
Library	11,949	0	72,908	72,908	\$ 11,949	0	11,949
Library Benefits	1,666	0	21,112	21,112	\$ 1,666	0	1,666
Special Highway	248,417	0	56,571	20,166	\$ 284,822	0	284,822
Special Recreation	26,407	0	108,831	129,369	\$ 5,869	25,508	31,377
Employee Benefit	9,461	0	543,832	439,096	\$ 114,197	2,168	116,365
Highway Maintenance	108,183	0	28,740	31,560	\$ 105,363	8,000	113,363
Diversion	4,136	0	700	625	\$ 4,211	0	4,211
Equipment Reserve	108,633	0	80,347	115,515	\$ 73,465	0	73,465
Computer/Equipment Res.	12,785	0	5,369	11,310	\$ 6,844	0	6,844
Capital Improvements Res.	531,988	0	157,032	41,800	\$ 647,220	0	647,220
Grants	15,000	0	5,000	4,500	\$ 15,500	0	15,500
Bond & Interest Fund							
Bond & Interest Fund	10,420	0	0	9,347	\$ 1,073	0	1,073
Capital Projects Fund							
Capital Projects	0	0	30,000	30,000	\$ 0	0	0
Business Fund							
Water	227,723	0	856,845	839,563	\$ 245,005	7,556	252,561
Water Maintenance Res	213,031	0	5,000	0	\$ 218,031	0	218,031
Water Bond Reserve	88,500	0	0	0	\$ 88,500	0	88,500
Sewer	498,806	0	228,084	194,881	\$ 532,009	4,752	536,761
Sewer Reserve	122,256	0	25,000	34,140	\$ 113,116	0	113,116
Refuse	11,036	0	153,163	150,580	\$ 13,619	0	13,619
Trust Fund							
Cemetery Endowment	92,295	0	1,950	2,500	\$ 91,745	0	91,745
Related Municipal Entity							
Public Building Comm.	313,500	0	2,664,771	2,731,771	\$ 246,500	0	246,500
Total Reporting Entity(Excluding Agency Funds Schedule 3)	<u>\$ 4,359,057</u>	<u>\$ 0</u>	<u>\$ 7,618,801</u>	<u>\$ 7,439,822</u>	<u>\$ 4,538,036</u>	<u>\$ 78,945</u>	<u>\$ 4,616,981</u>

Composition of Cash Balance:

Checking and Money Market Accounts	\$ 3,537,576
Certificates of Deposit	1,254,052
Total Cash Balance	4,791,628
Less: Agency Funds per Schedule 3	(174,647)
Total Reporting Entity(Excluding Agency Funds)	<u>\$ 4,616,981</u>

The accompanying notes to the financial statement are an integral part of this statement.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 1 – Summary of Significant Accounting Principles

Financial Reporting Entity

The City of Council Grove, Kansas (the City) is a governmental entity governed by an elected six-member council and mayor. The City's major operations include public safety (police and fire), streets, sanitation, water, recreation, public improvements, planning and zoning, and general administrative services. The City also operates three business type activities: a water system, a sewer system, and a solid waste collection system (contracted).

This financial statement presents the City of Council Grove (the municipality) and the Council Grove Public Building Commission (PBC). The PBC is a related municipal entity of the City and was organized in June 2012 pursuant to K.S.A 12-1757 et seq. as amended. The Public Building Commission Board is comprised of the City council and mayor.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, which are used to record the City's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations including State Statutes and City Ordinances. The following types of funds comprise the financial activities of the City.

General Fund (the chief operating fund) - used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Funds – a fund financed in whole or in part, by fees charged to users of the goods or services (enterprise and internal service fund, etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund – used to report assets held by the municipal reporting entity in a purely custodial capacity.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America
The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures of the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables or any other assets, liabilities or deferred inflows, other than those mentioned above.

The City has approved a resolution that is in compliance-with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Use of Estimates

The preparation of the financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures at the date of the financial statement. Accordingly, actual results could differ from those estimates.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess-of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

Budgetary Information (Cont)

A legal operating budget is not required for capital project funds, trust funds, and certain other special purpose funds as noted in the presentation of the appropriate Schedule 2.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by use of internal spending limits established by the governing body.

Note 2 – Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports and legal representatives of the municipality.

K.S.A. 12-1608 requires the City treasurer to publish a quarterly financial statement. All of the required publications were not made.

K.S.A. 79-2935 requires that expenditures be controlled such that no indebtedness is created in excess of budgeted limits. The City exceeded its budgeted authority in the .7% Sales tax, 1% Sales tax, Special Recreation, and Solid Waste funds.

Management is not aware of any noncompliance with Kansas statutes.

Note 3 – Deposits and Investments

K.S.A. 9-1401 established the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. Deposits were legally secured at December 31, 2019.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 3 – Deposits and Investments (Cont)

At year-end, the carrying amount of the City's deposits was \$4,791,628 and the bank balance was \$5,051,820. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$4,551,820 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The City held no investments at December 31, 2019.

Note 4 – Property Taxes

The City certifies its' budget to the county clerk annually. Using this certified budget and those of other political subdivisions within the county, the county clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20 of the same year, and the second installment is due May 10 of the subsequent year. The county treasurer collects and distributes the property taxes. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the following years operations.

Note 5 – Defined Benefit Pension Plan

Plan Description

The City of Council Grove, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which may be found on the website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Ks. 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is KPERS 1, KPERS 2, or a KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rate for KPERS 1, KPERS 2, and KPERS 3 to be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City of Council Grove were \$87,987 for the year ended December 31, 2019.

Net Pension Liability

At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$707,252. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 5 – Defined Benefit Pension Plan (Cont)

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 6 – Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all city employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until employment termination, retirement, death, or unforeseeable emergency. Plan assets are transferred to a plan agent in a custodial trust.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts shall be held in trust for the exclusive benefit of participants and their beneficiaries. All such amounts shall not be subject to the claims of the employer's general creditors.

Note 7 – Other Long-Term Obligations from Operations

Compensated Absences

The City's policy regarding vacation and sick leave permit employees to accumulate a maximum of 6.16 hours of vacation pay and 3.69 hours of sick pay per pay period. No more than five days of vacation pay may be carried forward to the next anniversary year. Sick pay compensation at retirement is restricted to a maximum of thirty days and only if the employee worked at least ten years and is at least 55 years old. All accumulated vacation pay is payable upon employment termination. A maximum of seventy-five days of sick pay may be accumulated. Unused sick pay is forfeited upon employment termination other than retirement. Compensated absence payments are made from the fund that corresponds to the employee's duties.

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

Death & Disability Other Post Employment Benefits

As provided by K.S. A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

Note 8 – Long-Term Debt

General Obligation Bonds

General obligation bonds, payable from future property tax revenues and special assessments, are serial bonds to be retired through calendar year 2025. At December 31, 2019, the bonds consisted of the following:

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 8 – Long-Term Debt (Cont)

On February 20, 2013, the City's KDHE loan for water system improvements was refinanced with general obligation bonds. These Series 2013 bonds carry interest rates between .4% and 2.75%. Semi-annual interest payments began August 1, 2013. The bonds mature annually starting August 1, 2013 with the last bond maturing on August 1, 2025. These bonds were paid off in 2020 with the issuance of 2020 Series bonds.

On April 28, 2020, the City refinanced its existing water general obligation and revenue bonds with Series 2020 water general obligation bonds. These Series 2020 bonds carry interest rates between 1.7% and 2.6%. Semi-annual interest payments are scheduled to begin January 1, 2021. The bonds mature annually starting July 1, 2021 with the last bond maturing on July 1, 2033.

Revenue Bonds

On December 12, 2012, the City issued 2012 Series bonds in the amount of \$885,000 for the purpose of making improvements to its water utility system. These Series 2012 bonds carry interest rates between .75% to 3.75%. The bonds mature annually starting July 1, 2014 with the last bond maturing July 1, 2033. A local sales tax issue was approved by the citizens allowing for the payment of these bonds and various other uses. These bonds were paid off in 2020 with the issuance of 2020 Series bonds.

KDOT Loan

The City entered into a loan agreement with the Kansas Department of Transportation as of May 12, 2008 for a curb and gutter project on Washington Street. The loan was for 703,261 and carries an interest rate of 3.99%. The City has dedicated sales tax proceeds from the 1% sales tax to finance the repayment, or in absence of sales tax revenues, they agree to levy tax sufficient for repayment. Interest payments are scheduled semi-annually, and principal payments are scheduled annually.

KDHE loan

In 2011, The City completed a project to improve the existing sewage system. The total project cost as \$509,600 and was financed with a loan from the Kansas Department of Health and Environment (KDHE). It carries an interest rate of 2.55%. The loan was funded partially with FFY 2010 federal funds and received principal forgiveness of \$76,440 in 2011 upon completion. One semi-annual payment of \$16,343 was scheduled on March 1, 2012 and thirty-nine semi-annual of \$13,825 beginning on September 1, 2012 were scheduled. The final payment is scheduled to be made on September 1, 2031. Payments on this loan are to be made from revenues of the sewer fund.

Lease Agreements

The City entered into a lease agreement with Farmers & Drovers Bank for the purchase of a fire truck on February 9, 2015. Monthly payments of \$2,147 are scheduled for twelve years with a final payment of \$100. The City made the first payment in February 2015. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease were made from the general fund.

The City entered into a lease agreement with Morris County, Kansas for storm siren upgrades on October 14, 2015. Annual payments of \$8,082 are scheduled for three years. The City made the first payment in February 2017. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation. Payments on this lease were made from the general fund.

The City entered into a lease agreement with Farmers & Drovers Bank for the purchase of a skid steer during 2017. A down payment of \$25,000 was made and annual payments of \$2,973 are scheduled for ten years with a final payment of \$100 in 2027. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation,

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 8 – Long-Term Debt (Cont)

and the City must return the leased equipment to the lessor. Payments on this lease were made from the equipment reserve fund.

The City entered into a lease agreement with Farmers & Drovers Bank for the purchase of a street sweeper during 2017. A down payment of \$50,000 was made and annual payments of \$29,089 are scheduled for six years with a final payment of \$100 in 2023. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease were made from the equipment reserve fund.

Changes in long-term liabilities for the year ended December 31, 2019 were as follows:

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Due January 1	Additions	Reductions/ Payments	Balance Due December 31	Interest Paid
General Obligation Bond									
Series 2013 Water Imp	.4%-2.75%	2/20/2013	\$ 1,645,000	8/1/2025	\$ 940,000	\$ 0	\$ 135,000	\$ 805,000	\$ 11,110
Revenue Bond									
Series 2012 Water Imp	.75%-3.75%	12/12/2012	885,000	7/1/2033	725,000	0	40,000	685,000	22,502
KDOT Loan									
Washington Street	3.99%	5/12/2008	703,261	8/1/2027	375,994	0	38,501	337,493	15,002
KDHE Loan									
Sewer Loan #1784-01	2.55%	7/1/2010	509,600	9/1/2031	304,308	0	20,017	284,291	7,633
Capital Leases									
Fire Truck	2.70%	2/9/2015	264,516	2/9/2027	187,007	0	20,975	166,032	4,791
Storm Sirens	0.00%	10/14/2015	24,246	2/1/2019	8,082	0	8,082	0	0
Skid Steer	3.32%	10/1/2017	50,023	10/10/2027	22,880	0	2,213	20,667	760
Street Sweeper	3.32%	6/1/2017	206,003	6/22/2023	132,093	0	24,703	107,390	4,386
Related Municipal Entity									
Public Bldg Comm Bds	.5%-3.75%	11/20/2012	3,135,000	6/1/2033	2,550,000	0	2,550,000	0	45,757
Public Bldg Comm Bds	1.8%-3.25%	6/26/2019	2,465,000	6/1/2033	0	2,465,000	0	2,465,000	28,046
Total contractual indebtedness					<u>\$ 5,245,364</u>	<u>\$ 2,465,000</u>	<u>\$ 2,839,491</u>	<u>\$ 4,870,873</u>	<u>\$ 139,987</u>

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 8 – Long-Term Debt (Cont)

Current maturities on long-term debt and interest for the next five years and in five-year increments though maturity are as follows:

	2020	2021	2022	2023	2024	2025-2029	2030-2033	Total
Principal								
Series 2013	\$ 805,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 805,000
Series 2012	685,000	0	0	0	0	0	0	685,000
Series 2020	0	185,000	190,000	190,000	200,000	360,000	235,000	1,360,000
KDOT	40,037	41,634	43,295	45,023	46,819	120,685	0	337,493
KDHE	20,530	21,057	21,598	22,152	22,720	122,653	53,581	284,291
Fire Truck	21,548	22,138	22,743	23,364	24,003	52,236	0	166,032
Skid Steer	2,287	2,363	2,441	2,522	2,606	8,448	0	20,667
Street Sweeper	25,523	26,370	27,246	28,251	0	0	0	107,390
2019 Series PBC Bds	155,000	155,000	155,000	160,000	165,000	890,000	785,000	2,465,000
Total Principal	<u>1,754,925</u>	<u>453,562</u>	<u>462,323</u>	<u>471,312</u>	<u>461,148</u>	<u>1,554,022</u>	<u>1,073,581</u>	<u>6,230,873</u>
Interest								
Series 2013	18,203	0	0	0	0	0	0	18,203
Series 2012	11,076	0	0	0	0	0	0	11,076
Series 2020	0	33,164	25,080	21,660	18,050	51,238	15,170	164,362
KDOT	13,466	11,869	10,207	8,480	6,683	8,541	0	59,246
KDHE	7,119	6,593	6,052	5,498	4,929	15,596	1,719	47,506
Fire Truck	4,218	3,629	3,024	2,402	1,763	1,644	0	16,680
Skid Steer	686	610	532	451	367	570	0	3,216
Street Sweeper	3,566	2,718	1,842	938	0	0	0	9,064
2019 Series PBC Bds	63,745	60,800	57,623	54,235	50,578	188,308	49,719	525,008
Total Interest	<u>122,079</u>	<u>119,383</u>	<u>104,360</u>	<u>93,664</u>	<u>82,370</u>	<u>265,897</u>	<u>66,608</u>	<u>854,361</u>
Total Principal & Interest	<u>\$ 1,877,004</u>	<u>\$ 572,945</u>	<u>\$ 566,683</u>	<u>\$ 564,976</u>	<u>\$ 543,518</u>	<u>\$ 1,819,919</u>	<u>\$ 1,140,189</u>	<u>\$ 7,085,234</u>

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 9 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workmen's compensation at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the state to participate in the Kansas Municipal Insurance Trust (KMIT), a public risk pool currently operating as a common risk management and insurance program for its participating members. The City pays an annual premium to KMIT for its worker's compensation insurance coverage. The City, along with other participating entities, contributes annual amounts as determined by KMIT management and underwriters. The agreement to participate provides that the KMIT will be self-sustaining through member premiums and currently holds \$3,000,000 of excess insurance with a specific retention of \$750,000. A member is only responsible for additional contributions to the KMIT trust which relate to claims arising out of occurrences in years in which the City is a member of the trust. As claims arise, they are submitted to and paid by KMIT.

The City continues to carry commercial insurance for other risks of loss including property and liability insurance. There were no significant reductions insurance coverage from coverage in prior years.

The City participates in Federal and State programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. Any disallowed claim resulting from such audit could become a liability of the City. However, in the opinion of management, any such disallowed claim would not have a material effect on the financial statements of the City at December 31, 2019.

Note 10 – Utility Deposits

The City requires utility deposits for city water services. Deposits are kept indefinitely until service is disconnected. Interest is paid annually and is credited to the individual's account. Refunds of deposit and interest are the from the water fund.

Note 11 – Contingencies

The City is party to various claims, none of which is expected to have a material financial impact to the City.

Note 12 – Public Building Commission

The City created the Council Grove Public Building Commission (PBC) under K.S.A. 12-1757 during 2012 for the purpose of issuing debt for constructing and equipping a swimming pool. The City council and mayor comprise the PBC board. In 2012, bonds were issued by the PBC in the amount of \$3.135.000.

The City entered into a lease with the PBC to lease land to the PBC. The PBC issued bonds for the swimming pool project and subsequently leased the project to the City. Forty semi-annual payments were scheduled beginning December 1, 2013. The 2012 bonds carried interest rates of .5% to 3.75% depending on the bond maturity date. In June 2019, the City refunded the 2012 bonds by issuing 2019 Series bonds in the amount of \$2,465,000. Twenty-eight semi-annual payments were scheduled beginning December 1, 2019. The 2019 bonds carry interest rates of 1.8% to 3.25% depending on the bond maturity date.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2019

Note 13 – Transfers

From	To	Authority	Amount
General	CIP Reserve	12-1,1118	\$ 42,000
General	Equipment Reserve	12-1,117	47,800
.7% Sales Tax	Water	12-197	116,843
1% Sales Tax	General	12-197	129,842
1% Sales Tax	Employee Benefits	12-197	106,738
1% Sales Tax	CIP Reserve	12-197	50,000
Bond & Interest	General	10-117a	9,347
Water	Equipment Reserve	12-1,117	22,547
Water	Water Reserve	12-825d	5,000
Water	Employee Benefits	12-16,102	94,026
Sewer	Equipment Reserve	12-1,117	10,000
Sewer	Sewer Reserve	12-825d	25,000
Sewer	Employee Benefits	12-16,102	21,850

Note 14 – Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date that the financial statement was available to be issued.

**Regulatory – Required
Supplementary Information**

City of Council Grove
Morris County, Kansas

Schedule 1

Summary of Expenditures-Actual and Budget
Regulatory Basis
Budgeted Funds Only
For the Year Ended December 31, 2019

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	\$ 1,893,927	\$ 0	\$ 1,893,927	\$ 1,708,308	\$ (185,619)
Special Purpose Funds					
.7% Sales Tax Fund	280,000	0	280,000	381,116	101,116
1% Sales Tax Fund	400,000	0	400,000	455,082	55,082
Industrial Development	16,244	0	16,244	14,573	(1,671)
Library	77,737	0	77,737	72,908	(4,829)
Library Benefits	26,252	0	26,252	21,112	(5,140)
Special Highway	279,563	0	279,563	20,166	(259,397)
Special Recreation	19,304	102,996	122,300	129,369	7,069
Employee Benefits	528,100	0	528,100	439,096	(89,004)
Highway Maintenance	136,193	0	136,193	31,560	(104,633)
Diversion	5,721	0	5,721	625	(5,096)
Bond and Interest	9,347	0	9,347	9,347	0
Business Funds					
Water	868,017	12,926	880,943	839,563	(41,380)
Sewer	211,438	0	211,438	194,881	(16,557)
Solid Waste	150,000	0	150,000	150,580	580

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 564,591	\$ 569,221	\$ (4,630)
City Sales Tax	0	0	0
Franchise Fees	124,415	120,000	4,415
County Sales Tax	169,659	156,000	13,659
Liquor Tax	5,835	4,170	1,665
Fines, Fees, & Forfeitures	262,385	215,500	46,885
Use of Money & Property	483,012	442,000	41,012
Other	76,375	65,101	11,274
Transfers In	139,189	0	139,189
Total Receipts	<u>1,825,461</u>	<u>1,571,992</u>	<u>253,469</u>
Expenditures			
Administrative			
Personal Services	173,602	169,078	4,524
Contractual	160,781	117,200	43,581
Commodities	15,796	14,500	1,296
Capital Outlay	824	9,890	(9,066)
Total Administrative	<u>351,003</u>	<u>310,668</u>	<u>40,335</u>
Police			
Personal Services	323,178	319,685	3,493
Contractual	47,954	44,100	3,854
Commodities	20,337	21,900	(1,563)
Capital Outlay	42,347	30,000	12,347
Total Police	<u>433,816</u>	<u>415,685</u>	<u>18,131</u>
Streets/Public Works			
Personal Services	151,190	216,797	(65,607)
Contractual	53,415	44,450	8,965
Commodities	51,747	54,600	(2,853)
Capital Outlay	0	34,500	(34,500)
Total Streets/Public Works	<u>256,352</u>	<u>350,347</u>	<u>(93,995)</u>
Swimming Pool			
Personal Services	57,292	57,528	(236)
Contractual	33,854	37,500	(3,646)
Commodities	24,721	30,000	(5,279)
Capital Outlay	0	0	0
Total Swimming Pool	<u>115,867</u>	<u>125,028</u>	<u>(9,161)</u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
City Parks			
Personal Services	38,159	34,845	3,314
Contractual	22,579	33,500	(10,921)
Commodities	4,047	8,100	(4,053)
Capital Outlay	0	7,000	(7,000)
Total City Parks	<u>64,785</u>	<u>83,445</u>	<u>(18,660)</u>
Cemetery Care			
Personal Services	6,205	19,887	(13,682)
Contractual	26,395	36,000	(9,605)
Commodities	263	2,100	(1,837)
Capital Outlay	3,324	2,200	1,124
Total Cemetery Care	<u>36,187</u>	<u>60,187</u>	<u>(24,000)</u>
Fire			
Personal Services	15,534	15,200	334
Contractual	39,959	62,800	(22,841)
Commodities	1,968	8,330	(6,362)
Capital Outlay	12,883	27,884	(15,001)
Total Fire	<u>70,344</u>	<u>114,214</u>	<u>(43,870)</u>
Municipal Court			
Personal Services	15,617	17,797	(2,180)
Contractual	9,863	9,400	463
Commodities	416	1,000	(584)
Capital Outlay	0	0	0
Total Municipal Court	<u>25,896</u>	<u>28,197</u>	<u>(2,301)</u>
Recreation			
Personal Services	85,612	88,962	(3,350)
Contractual	30,213	26,800	3,413
Commodities	37,650	30,000	7,650
Capital Outlay	4,800	6,000	(1,200)
Total Recreation	<u>158,275</u>	<u>151,762</u>	<u>6,513</u>
City Lake			
Personal Services	50,914	78,394	(27,480)
Contractual	37,696	35,000	2,696
Commodities	2,692	27,000	(24,308)
Capital Outlay	14,681	62,000	(47,319)
Total City Lake	<u>105,983</u>	<u>202,394</u>	<u>(96,411)</u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

GENERAL FUND

	Current Year		Variance
	Actual	Budget	Over (Under)
Employee Benefits			
Social Security & Medicare	0	0	0
Health & dental	0	0	0
Unemployment & work comp	0	0	0
KPERs	0	0	0
Total Employee Benefits	0	0	0
Transfers out	89,800	52,000	37,800
Total Expenditures	1,708,308	1,893,927	(185,619)
Receipts Over (Under) Expenditures	117,153	\$ (321,935)	\$ 439,088
Unencumbered Cash, January 1	254,227		
Unencumbered Cash, December 31	\$ 371,380		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

.7% SALES TAX FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State of Kansas	\$ 301,800	\$ 280,000	\$ 21,800
Other	0	0	0
Total Receipts	<u>301,800</u>	<u>280,000</u>	<u>21,800</u>
Expenditures			
Pool lease payments/debt	199,771	220,000	(20,229)
Intake payments	64,502	60,000	4,502
Transfer to water-reimburse intake	116,843	0	116,843
Adjustment for budget credits	0	0	0
Total Expenditures	<u>381,116</u>	<u>280,000</u>	<u>101,116</u>
Receipts Over (Under) Expenditures	(79,316)	<u>\$ 0</u>	<u>\$ (79,316)</u>
Unencumbered Cash, January 1	<u>643,696</u>		
Unencumbered Cash, December 31	<u>\$ 564,380</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

1% SALES TAX FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State of Kansas	\$ 431,712	\$ 400,000	\$ 31,712
Transfer from General	0	0	0
Total Receipts	<u>431,712</u>	<u>400,000</u>	<u>31,712</u>
Expenditures			
Washington Street	52,735	53,503	(768)
Infrastructure	60,055	100,000	(39,945)
Grants	55,322	59,759	(4,437)
Transfer to general-recreation reimb	129,842	80,000	49,842
Transfer to employee benefits	106,738	106,738	0
Transfer to CIP	50,000	0	50,000
Other	390	0	390
Total Expenditures	<u>455,082</u>	<u>400,000</u>	<u>55,082</u>
Receipts Over (Under) Expenditures	(23,370)	<u>\$ 0</u>	<u>\$ (23,370)</u>
Unencumbered Cash, January 1	<u>802,544</u>		
Unencumbered Cash, December 31	<u>\$ 779,174</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2D

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

INDUSTRIAL DEVELOPMENT

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 14,573	\$ 14,753	\$ (180)
Other	0	0	0
Total Receipts	<u>14,573</u>	<u>14,753</u>	<u>(180)</u>
Expenditures			
Industrial Development	14,573	16,244	(1,671)
Other	0	0	0
Total Expenditures	<u>14,573</u>	<u>16,244</u>	<u>(1,671)</u>
Receipts Over (Under) Expenditures	0	<u>\$ (1,491)</u>	<u>\$ 1,491</u>
Unencumbered Cash, January 1	<u>2,398</u>		
Unencumbered Cash, December 31	<u>\$ 2,398</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2E

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

LIBRARY

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 72,908	\$ 73,775	\$ (867)
Other	0	0	0
Total Receipts	<u>72,908</u>	<u>73,775</u>	<u>(867)</u>
Expenditures			
Library Appropriation	72,908	77,737	(4,829)
Other	0	0	0
Total Expenditures	<u>72,908</u>	<u>77,737</u>	<u>(4,829)</u>
Receipts Over (Under) Expenditures	0	<u>\$ (3,962)</u>	<u>\$ 3,962</u>
Unencumbered Cash, January 1	<u>11,949</u>		
Unencumbered Cash, December 31	<u>\$ 11,949</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2F

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

LIBRARY BENEFITS

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 28,796	\$ 28,810	\$ (14)
Other	0	0	0
Total Receipts	<u>28,796</u>	<u>28,810</u>	<u>(14)</u>
Expenditures			
Library appropriation	28,796	28,810	(14)
Other	0	0	0
Total Expenditures	<u>28,796</u>	<u>28,810</u>	<u>(14)</u>
Receipts Over (Under) Expenditures	0	<u>\$ 0</u>	<u>\$ 0</u>
Unencumbered Cash, January 1	<u>1,666</u>		
Unencumbered Cash, December 31	<u>\$ 1,666</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2G

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

SPECIAL HIGHWAY

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State of Kansas	\$ 56,571	\$ 56,000	\$ 571
Other	0	0	0
Total Receipts	<u>56,571</u>	<u>56,000</u>	<u>571</u>
Expenditures			
Street repairs and maintenance	<u>20,166</u>	<u>279,563</u>	<u>(259,397)</u>
Receipts Over (Under) Expenditures	36,405	<u><u>\$ (223,563)</u></u>	<u><u>\$ 259,968</u></u>
Unencumbered Cash, January 1	<u>248,417</u>		
Unencumbered Cash, December 31	<u><u>\$ 284,822</u></u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2H

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

SPECIAL RECREATION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Liquor Tax	\$ 5,835	\$ 3,000	\$ 2,835
Other donations, etc	102,996	0	102,996
Total Receipts	<u>108,831</u>	<u>3,000</u>	<u>105,831</u>
Expenditures			
Parks & recreation	129,369	19,304	110,065
Adjustment for budget credits	0	102,996	(102,996)
Total Expenditures	<u>129,369</u>	<u>122,300</u>	<u>7,069</u>
Receipts Over (Under) Expenditures	(20,538)	<u>\$ (119,300)</u>	<u>\$ 98,762</u>
Unencumbered Cash, January 1	<u>26,407</u>		
Unencumbered Cash, December 31	<u>\$ 5,869</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2I

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

EMPLOYEE BENEFITS

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 285,133	\$ 291,962	\$ (6,829)
Transfers in	222,614	235,138	(12,524)
Other	36,085	0	36,085
Total Receipts	<u>543,832</u>	<u>527,100</u>	<u>16,732</u>
Expenditures			
Health & Dental	289,308	349,000	(59,692)
Social Security & Medicare	66,917	84,000	(17,083)
KPERs	71,809	89,000	(17,191)
Firemen's relief	959	1,500	(541)
Other	10,103	4,600	5,503
Total Expenditures	<u>439,096</u>	<u>528,100</u>	<u>(89,004)</u>
Receipts Over (Under) Expenditures	104,736	<u>\$ (1,000)</u>	<u>\$ 105,736</u>
Unencumbered Cash, January 1	9,461		
Cancelled encumbrances	<u>0</u>		
Unencumbered Cash, December 31	<u>\$ 114,197</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2J

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

HIGHWAY MAINTENANCE

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State of Kansas	\$ 28,740	\$ 21,500	\$ 7,240
Other	0	0	0
Total Receipts	<u>28,740</u>	<u>21,500</u>	<u>7,240</u>
Expenditures			
Highway improvements	31,560	136,193	(104,633)
Other	0	0	0
Total Expenditures	<u>31,560</u>	<u>136,193</u>	<u>(104,633)</u>
Receipts Over (Under) Expenditures	(2,820)	<u>\$ (114,693)</u>	<u>\$ 111,873</u>
Unencumbered Cash, January 1	<u>108,183</u>		
Unencumbered Cash, December 31	<u>\$ 105,363</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2K

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

DIVERSION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Diversion fees	\$ 700	\$ 1,000	\$ (300)
Other Receipts	0	0	0
Total Receipts	<u>700</u>	<u>1,000</u>	<u>(300)</u>
Expenditures			
Law expenditures	<u>625</u>	<u>5,721</u>	<u>(5,096)</u>
Receipts Over (Under) Expenditures	75	<u>\$ (4,721)</u>	<u>\$ 4,796</u>
Unencumbered Cash, January 1	<u>4,136</u>		
Unencumbered Cash, December 31	<u>\$ 4,211</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2L

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

EQUIPMENT RESERVE

	Current Year Actual
Receipts	
Transfers in	\$ 80,347
Other Receipts	0
Total Receipts	<u>80,347</u>
Expenditures	
Equipment	115,515
Other	0
Total Expenditures	<u>115,515</u>
Receipts Over (Under) Expenditures	(35,168)
Unencumbered Cash, January 1	<u>108,633</u>
Unencumbered Cash, December 31	<u><u>\$ 73,465</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2M

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

COMPUTER/EQUIPMENT RESERVE

	Current Year Actual
Receipts	
Fees	\$ 5,369
Other	0
Total Receipts	<u>5,369</u>
Expenditures	
Equipment	11,310
Other	0
Total Expenditures	<u>11,310</u>
Receipts Over (Under) Expenditures	(5,941)
Unencumbered Cash, January 1	<u>12,785</u>
Unencumbered Cash, December 31	<u><u>\$ 6,844</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2N

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

CAPITAL IMPROVEMENT RESERVE

	Current Year Actual
Receipts	
Transfer In	\$ 92,000
Other	65,032
Total Receipts	<u>157,032</u>
Expenditures	
Capital improvements	41,800
Other	0
Total Expenditures	<u>41,800</u>
Receipts Over (Under) Expenditures	115,232
Unencumbered Cash, January 1	<u>531,988</u>
Unencumbered Cash, December 31	<u><u>\$ 647,220</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 20

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

GRANTS

	Current Year Actual
Receipts	
Grants	\$ 5,000
Transfer in	0
Total Receipts	<u>5,000</u>
Expenditures	
Grant projects	4,500
Other	0
Total Expenditures	<u>4,500</u>
Receipts Over (Under) Expenditures	500
Unencumbered Cash, January 1	<u>15,000</u>
Unencumbered Cash, December 31	<u><u>\$ 15,500</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2P

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

BOND & INTEREST

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 0	\$ 0	\$ 0
Other receipts	0	0	0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Principal & interest	0	0	0
Transfer out	9,347	9,347	0
Total Expenditures	<u>9,347</u>	<u>9,347</u>	<u>0</u>
Receipts Over (Under) Expenditures	(9,347)	<u>\$ (9,347)</u>	<u>\$ 0</u>
Unencumbered Cash, January 1	<u>10,420</u>		
Unencumbered Cash, December 31	<u>\$ 1,073</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2Q

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

CAPITAL PROJECTS

	Current Year Actual
Receipts	
Grants	\$ 0
Other	30,000
Total Receipts	<u>30,000</u>
Expenditures	
City hall sign	30,000
Riverwalk	0
Main Street Christmas Lights	0
Total Expenditures	<u>30,000</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, January 1	<u>0</u>
Unencumbered Cash, December 31	<u><u>\$ 0</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2R

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

WATER

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Charges for Services	\$ 713,217	\$ 765,000	\$ (51,783)
Penalties	6,466	7,500	(1,034)
Transfer in	116,843	0	116,843
Other Receipts	20,319	3,500	16,819
Total Receipts	<u>856,845</u>	<u>776,000</u>	<u>80,845</u>
Expenditures			
Production			
Personal Service	83,891	84,183	(292)
Contractual	130,175	79,800	50,375
Commodities	133,103	127,500	5,603
Capital Outlay	142	0	142
Distribution			
Personal Service	91,988	45,950	46,038
Contractual	15,104	24,800	(9,696)
Commodities	5,805	61,500	(55,695)
Capital Outlay	48,120	0	48,120
Commercial/Administrative			
Personal Service	25,836	60,507	(34,671)
Contractual	31,044	34,550	(3,506)
Commodities	5,848	1,700	4,148
Capital Outlay	824	0	824
Other			0
Debt Service	146,110	220,001	(73,891)
Transfers out	121,573	127,526	(5,953)
Adjustment for budget credits	0	12,926	(12,926)
Total Expenditures	<u>839,563</u>	<u>880,943</u>	<u>(41,380)</u>
Receipts Over (Under) Expenditures	17,282	<u>\$ (104,943)</u>	<u>\$ 122,225</u>
Unencumbered Cash, January 1	<u>227,723</u>		
Unencumbered Cash, December 31	<u>\$ 245,005</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2S

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

WATER MAINTENANCE RESERVE

	Current Year Actual
Receipts	
Transfer In	\$ 5,000
Other	0
Total Receipts	<u>5,000</u>
Expenditures	
Water system maintenance	0
Other	0
Total Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	5,000
Unencumbered Cash, January 1	<u>213,031</u>
Unencumbered Cash, December 31	<u><u>\$ 218,031</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2T

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

WATER BOND RESERVE

	Current Year Actual
Receipts	
Transfer In	\$ 0
Other	0
Total Receipts	<u>0</u>
Expenditures	
Water system bonds	0
Other	0
Total Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, January 1	<u>88,500</u>
Unencumbered Cash, December 31	<u><u>\$ 88,500</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2U

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

SEWER

	Current Year		Variance
	Actual	Budget	Over (Under)
Receipts			
Charges for Services	\$ 227,184	\$ 232,000	\$ (4,816)
Other Receipts	900	0	900
Total Receipts	<u>228,084</u>	<u>232,000</u>	<u>(3,916)</u>
Expenditures			
Personal Service	52,556	67,270	(14,714)
Contractual	32,128	34,900	(2,772)
Commodities	17,313	22,400	(5,087)
Capital Outlay	8,384	2,000	6,384
Principal and interest	27,650	28,050	(400)
Transfers out	56,850	56,818	32
Total Expenditures	<u>194,881</u>	<u>211,438</u>	<u>(16,557)</u>
Receipts Over (Under) Expenditures	33,203	<u>\$ 20,562</u>	<u>\$ 12,641</u>
Unencumbered Cash, January 1	<u>498,806</u>		
Unencumbered Cash, December 31	<u>\$ 532,009</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2V

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

SEWER RESERVE

	Current Year Actual
Receipts	
Transfer In	\$ 25,000
Other	0
Total Receipts	<u>25,000</u>
Expenditures	
Sewer system maintenance	34,140
Other	0
Total Expenditures	<u>34,140</u>
Receipts Over (Under) Expenditures	(9,140)
Unencumbered Cash, January 1	<u>122,256</u>
Unencumbered Cash, December 31	<u><u>\$ 113,116</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2W

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

REFUSE

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Charges for Services	\$ 153,163	\$ 150,000	\$ 3,163
Other Receipts	0	0	0
Total Receipts	<u>153,163</u>	<u>150,000</u>	<u>3,163</u>
Expenditures			
Contractual	150,580	150,000	580
Other	0	0	0
Total Expenditures	<u>150,580</u>	<u>150,000</u>	<u>580</u>
Receipts Over (Under) Expenditures	2,583	<u>\$ 0</u>	<u>\$ 2,583</u>
Unencumbered Cash, January 1	<u>11,036</u>		
Unencumbered Cash, December 31	<u>\$ 13,619</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2X

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

CEMETERY ENDOWMENT

	Current Year Actual
Receipts	
Lots and care	\$ 1,950
Other	0
Total Receipts	<u>1,950</u>
Expenditures	
Cemetery care	2,500
Other	0
Total Expenditures	<u>2,500</u>
Receipts Over (Under) Expenditures	(550)
Unencumbered Cash, January 1	<u>92,295</u>
Unencumbered Cash, December 31	<u><u>\$ 91,745</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 3

Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2019

AGENCY FUNDS

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Lake tax refunds	\$ 93,752	\$ 527,744	\$ 446,849	\$ 174,647
Total	<u>\$ 93,752</u>	<u>\$ 527,744</u>	<u>\$ 446,849</u>	<u>\$ 174,647</u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 4

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2019

RELATED MUNICIPAL ENTITY
PUBLIC BUILDING COMMISSION

	Pool P&I Reserve	Pool Bond Reserve	Total
Receipts			
Lease payments from City	\$ 199,771	\$ 0	\$ 199,771
Bonds refinanced	0	2,465,000	2,465,000
Total Receipts	<u>199,771</u>	<u>2,465,000</u>	<u>2,664,771</u>
Expenditures			
Pool principal and interest	199,771	2,424,032	2,623,803
Refinance fees	0	107,968	107,968
Total Expenditures	<u>199,771</u>	<u>2,532,000</u>	<u>2,731,771</u>
Receipts Over (Under) Expenditures	0	(67,000)	(67,000)
Unencumbered Cash, January 1	<u>0</u>	<u>313,500</u>	<u>313,500</u>
Unencumbered Cash, December 31	<u>\$ 0</u>	<u>\$ 246,500</u>	<u>\$ 246,500</u>

See accompanying auditor's report.